

VZCZCXRO2112
RR RUEHIK
DE RUEHUP #0764 2891551
ZNR UUUUU ZZH
R 161551Z OCT 09
FM AMEMBASSY BUDAPEST
TO RUEHC/SECSTATE WASHDC 4588
INFO RUEHXL/EUROPEAN POLITICAL COLLECTIVE
RUCPDOC/DEPT OF COMMERCE WASHDC
RUEATRS/DEPT OF TREASURY WASHDC

UNCLAS BUDAPEST 000764

SIPDIS

PASS OPIC FOR BARBARA BRERETON

E.O. 12958: N/A

TAGS: PREL EFIN HU

SUBJECT: HUNGARY: OPIC-SUPPORTED GLOBAL RENEWABLE ENERGY INVESTMENT FUND

REF: STATE 95170

¶1. (U) In response to reftel request, Post believes that the objectives of the OPIC-Supported Global Renewable Energy Investment Fund (OPIC Fund) are consistent with Hungary's program for economic development, which stresses the importance of sustainable growth and the use of renewable energy resources.

¶2. (U) Hungary's current economic development plan is known as the "New Hungary Development Plan: 2007-2013". One of the main goals of the plan's regional development program is "promoting energy efficiency and savings as well as the use of renewable energy sources." The plan notes that currently only 3.6 percent of Hungary's total energy demands are met through renewable energy resources, and further notes that although per capita energy consumption in Hungary is below EU averages, energy efficiency remains a problem in Hungary.

¶3. (U) The OPIC Fund objectives are also consistent with the EBRD's strategy for Hungary, which notes that "investments in the diversification of energy supplies, in energy efficiency and renewable energy need to be promoted (in Hungary) to enhance energy security, reduce energy intensity, and meet environmental targets."

¶4. (U) Availability of funds from other sources: Hungary receives funds for development as an EU Member State, including through EU Structural and Cohesion grants. Hungary also receives funding under various targeted EBRD financing facilities.

¶5. (U) Post has no specific opinion on the local reputation of the prospective fund manager listed reftel.
LEVINE